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3. Japanese worried over increasing Communist trade competition: Japanese businessmen are pleading for countermeasures against increasingly serious Communist competition in South and Southeast Asia, according to the Japanese press. Business circles cite successful Communist bids for Indian orders for rolling stock and industrial plants.

Communist China is also becoming a rival of Japan in light industry items, such as sewing machines, bicycles, electric clocks, fountain pens, nails, wire, metal nets, matches, chemicals and glass. (U FBIS Ticker Tokyo, 11 Oct 55)

Comment: Chinese Communist textiles, paper and other manufactures are making important inroads in the Hong Kong and certain Southeast Asia markets and threaten to outsell similar Japanese goods. Peiping is subsidizing this trade to demonstrate its industrial progress.

A German rolling stock manufacturer believes the more industrially advanced countries like Hungary and Czechoslovakia are also motivated by the desire to gain entry and further Communist economic influence in the area, to find outlets for their production, and to earn foreign exchange. ~~(CONFIDENTIAL)~~
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